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## United States Senate

COMMITTEE ON COMMERCE, SCIENCE,  
AND TRANSPORTATION

WASHINGTON, DC 20510-6125

July 15, 2003

### The Real Emerson Approach

Dear Colleague:

Recent Department of Labor statistics show that the U.S. employment situation continues to degrade. In June, unemployment reached a nine year high of 6.4%. The situation is particularly acute in our manufacturing sector where the United States has lost manufacturing jobs each month for three years. Over 2.5 million manufacturing jobs have been lost during that time period.

For this reason, I recently introduced S. 970 – the Jobs Protection Act of 2003 – which is designed to encourage manufacturers and other employers to locate facilities in the United States. Its premise is simple enough: produce in the United States and lower your tax rate; leave the United States and increase your tax rate. This approach is supported by a wide range of U.S. based companies including Microsoft, Caterpillar and United Technologies.

Recently, an alternative to this proposal has emerged. This proposal tagged “The Emerson Approach,” after the electronics manufacturer, would treat all manufacturing similarly, whether it occurs in the United States or abroad. Initially, I found the Emerson proposal somewhat surprising since the goal of the Jobs Protection Act of 2003 was to protect American jobs. However, a front page Los Angeles Times article from April of 2002 (attached) sheds some light on the situation. The article detailed Emerson’s plans to close American manufacturing facilities and transfer the employment abroad. In fact, David Farr, Emerson’s chief executive is quoted saying **“When we finish this calendar year [2002], 70 percent of our manufacturing will be in low cost countries. That’s a significant change from where we were before.”** According to the article, the town of Oxford, Mississippi was particularly hard hit. An Emerson plant closure there eliminated the town’s largest employer. Farr noted “we’ve got to get the same amount of output, the same level of technology without spending as much capital.”

Given Emerson’s approach to its American workers, it would be shameful to adopt its legislative proposal. Please join me in supporting a real effort to protect American jobs and co-sponsor S. 970.

Sincerely yours

  
Ernest F. Hollings